



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

|                         |                  |                |  |
|-------------------------|------------------|----------------|--|
| <b>Bill #</b>           | HB0359           | <b>Title:</b>  | Public notice and hearing for opencut applications |
| <b>Primary Sponsor:</b> | Pomnichowski, JP | <b>Status:</b> | As Introduced                                      |

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| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

|   | <b><u>FY 2010<br/>Difference</u></b> | <b><u>FY 2011<br/>Difference</u></b> | <b><u>FY 2012<br/>Difference</u></b> | <b><u>FY 2013<br/>Difference</u></b> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Expenditures:</b>                    |                                      |                                      |                                      |                                      |
| General Fund                            | \$143,155                            | \$136,838                            | \$139,635                            | \$145,442                            |
| <b>Revenue:</b>                         |                                      |                                      |                                      |                                      |
| General Fund                            | \$0                                  | \$0                                  | \$0                                  | \$0                                  |
| <b>Net Impact-General Fund Balance:</b> | <u>(\$143,155)</u>                   | <u>(\$136,838)</u>                   | <u>(\$139,635)</u>                   | <u>(\$145,442)</u>                   |

### **Description of fiscal impact:**

This bill would add requirements for an opencut mining permit applicant to publish a public notice of the proposed operation and to mail notices to individual landowners within one mile of the proposed operation. If objections were received in response to the notices, the Department of Environmental Quality (DEQ) would be required to hold a public hearing in the vicinity of the proposed operation. DEQ would review and incorporate the objections into a second review of the application, designated by the bill as "completeness". This additional required process would require the equivalent of 1.50 FTE additional staff and contracted services of a court recorder.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **Department of Environmental Quality (DEQ)**

1. This bill would add requirements for an opencut mining permit applicant to publish a public notice of the proposed operation in a newspaper in the locality of the proposed operation and to mail notices to individual landowners within one mile of the proposed operation. This would occur after DEQ determined the application to be acceptable in accordance with the current process and timelines. If objections were received by DEQ in response to the notices, DEQ would be required to hold a public hearing in the vicinity of the proposed operation presumably to receive objections of attendees. DEQ would be required to review and incorporate the objections into a second application review period, designated by the bill as "completeness".

2. Based on the previous years of permitting activity, it is anticipated that DEQ would process an estimated average of 100 permit applications and amendments in each fiscal year in the next two biennia and that an estimated average of 50 of these applications would have public interest and concern resulting in 50 hearings per fiscal year.
3. It is anticipated that an additional 1.00 FTE environmental specialist, 0.50 FTE administrative support, contracted services of a court recorder, and room and equipment rental would be needed to implement this bill. Personal services (salaries and benefits) costs would be \$71,599 in FY 2010 and FY 2011, \$73,389 in FY 2012, and \$75,223 in FY 2013. Operating expenses would be \$71,556 in FY 2010, \$65,239 in FY 2011, \$66,246 in FY 2012, and \$70,219 in FY 2013 including supplies, travel, communications, education/training, contracts, and indirect costs. A 2.5% inflation factor is applied starting in FY 2012.
4. There would be an average of approximately one hearing per week, with associated logistics and public objections, throughout each year for which DEQ would be responsible. The new environmental specialist would be responsible for reviewing and/or approving draft public notices before publication and mailing by permit applicants; preparing for, attending, and possibly conducting public hearings; reviewing written and verbal objections; and conducting the second application review process (“completeness”). The additional half-time administrative support would be needed for tracking and filing of documentation of notices submitted by permit applicants; preparing public notices for hearings; compiling and filing written and verbal objections; and contracting with court recorders and arranging room and sound equipment rental.

|   | <b><u>FY 2010<br/>Difference</u></b> | <b><u>FY 2011<br/>Difference</u></b> | <b><u>FY 2012<br/>Difference</u></b> | <b><u>FY 2013<br/>Difference</u></b> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b><u>Fiscal Impact:</u></b>  |                                      |                                      |                                      |                                      |
| <b>FTE</b>  | 1.50                                 | 1.50                                 | 1.50                                 | 1.50                                 |
| <b><u>Expenditures:</u></b>   |                                      |                                      |                                      |                                      |
| Personal Services   | \$71,599                             | \$71,599                             | \$73,389                             | \$75,223                             |
| Operating Expenses  | \$71,556                             | \$65,239                             | \$66,246                             | \$70,219                             |
| <b>TOTAL Expenditures</b>   | <b>\$143,155</b>                     | <b>\$136,838</b>                     | <b>\$139,635</b>                     | <b>\$145,442</b>                     |
| <b><u>Funding of Expenditures:</u></b>  |                                      |                                      |                                      |                                      |
| General Fund (01)   | \$143,155                            | \$136,838                            | \$139,635                            | \$145,442                            |
| <b>TOTAL Funding of Exp.</b>  | <b>\$143,155</b>                     | <b>\$136,838</b>                     | <b>\$139,635</b>                     | <b>\$145,442</b>                     |
| <b><u>Revenues:</u></b>   |                                      |                                      |                                      |                                      |
| General Fund (01)   | \$0                                  | \$0                                  | \$0                                  | \$0                                  |
| <b>TOTAL Revenues</b>   | <b>\$0</b>                           | <b>\$0</b>                           | <b>\$0</b>                           | <b>\$0</b>                           |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                                      |                                      |                                      |                                      |
| General Fund (01)   | (\$143,155)                          | (\$136,838)                          | (\$139,635)                          | (\$145,442)                          |

**Effect on County or Other Local Revenues or Expenditures:**

1. Counties, as well as private companies, hold opencut mining permits. Counties would be required to publish and send out public notices for any mine permit applications. The costs and time to counties to comply with this requirement would be quite variable. For proposed county operations in sparsely populated areas, there may be a small impact to their resources. For proposed county operations in more highly populated areas, the impact would be larger.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*